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SUBJECT: Santiago Feb. 10 Media Report

Lead Story

¶1. Sebasti????n Pi????era announced his new cabinet: 6 women, most are Catholic University alumni, and eleven have graduate studies in the United States, primarily from Harvard and the University of Chicago (All dailies, 2/10).

¶2. Pi????era's cabinet members: undergraduate and graduate degrees

Interior: Rodrigo Hinzpeter (attorney)

Foreign Affairs: Alfredo Moreno (civil engineer, MBA University of Chicago)

Defense: Jaime Ravinet (attorney)

Finance: Felipe Larraín (commercial engineer, PhD. in economics, Harvard University)

Secretary General-Presidency: Cristian Larroulet (commercial engineer, University of Chicago)

Secretary General to the Government - Spokesperson: Ena von Baer (journalist)

Economy: Juan Andres Fontaine (commercial engineer, PhD. University of Chicago)

Planning: Felipe Kast (commercial engineer, PhD, Harvard University)

Education: Joaquin Lavin (commercial engineer, University of Chicago)

Justice: Felipe Bulnes (attorney, law degree from Harvard)

Labor: Camila Merino (civil engineer, PhD. Massachusetts Institute of Technology, MIT);

Public Works: Hernan de Solminihac (civil engineer, PhD., University of Texas)

Health: Jaime Ma????alich (physician)

Housing: Magdalena Matte (civil engineer)

Agriculture: Jose Antonio Galilea (agricultural technician, entrepreneur)

Mining: Laurence Golborne (civil engineer, Stanford University)

Transportation: Felipe Morand???? (commercial engineer, PhD, University of Minnesota)

State Property: Catalina Parot (attorney, Masters in political science)

Women's Affairs: Carolina Schmidt (commercial engineer, marketing degree from NYU)

Culture: Luciano Cruz-Coke (actor)

Environment: Maria Ignacia Benitez (chemical engineer)

Chairman National Energy: Ricardo Raineri (commercial engineer, Masters in economics, University of Minnesota)

¶3. Felipe Kast (Planning) is the youngest cabinet member

appointed. He studied economics at

Catholic University and studied a year at the University of Havana in Cuba to work on issues related to poverty. His family has close ties to the Schoenstatt Catholic movement. Golborne (Mining) has strong entrepreneurial ties and is known for his financial skills and ability to raise money to finance expansion projects. Galilea (Agriculture) is an agriculture entrepreneur and former congressman from the Ninth Region, where the percentage of votes in the presidential election was considerably high. (El Mercurio, 2/10).

¶4. Three of the new cabinet members are deans: Larroulet (business school, Universidad del

Desarrollo), Morande (business school, Univ. of Chile), and Solminihac (engineering school, Catholic University). Most new members are from the business sector and only one -- Jaime Ravinet in defense-- is a former Concertacion government minister. Six are from out of Santiago (Diario Financiero, 2/10).

Headlines:

¶5. "Business capability and (political) independence prevail in Pi????era's cabinet" (Diario Financiero, 2/10); "Pi????era forms a cabinet of general managers for Chile --wide representation of CEOs and chairmen of private corporations in the cabinet" (government-owned La Nacion, 2/10); "Pi????era selects independents with high executive and professional level" (El Mercurio, 2/10); "Pi????era includes former Christian Democratic Party minister in his cabinet" (El Mercurio, 2/10); "Entrepreneurs, academics, and independents in Pi????era's first cabinet" (El Mercurio); -- "Political Independence and a strong executive and professional seal plus high academic standards define Pi????era's first cabinet" (El Mercurio, 2/10); Pi????era puts together team of professionals from the private and conservative sectors" (La Nacion, 2/10).

¶6. The Christian Democratic Party (PDC) reacted immediately to Jaime Ravinet's appointment to defense. Ravinet has been a PDC member for at least forty years and was cabinet member of the Concertacion government. Party President Juan Carlos Latorre said, "This is embarrassing. He is a black sheep in the group." Ravinet

said he had resigned from the party a few hours before the ceremony with "sadness," because although he "shares the party's principles, he does not share the political decisions and program resolutions that the party has made in past years." He added, "It is important to show Chileans that it is possible to have a government of unity" (El Mercurio, 2/10).

¶17. Felipe Larraín has become the "strong man" of fiscal policy. In his remarks after the ceremony, Larraín said that one of his priorities is to create one million jobs in the next four years. "We must recover the ability to grow, which has been lost," he said. (El Mercurio, 2/10).

¶18. Pi????era's new cabinet is formed mainly by entrepreneurs and CEOs from the private sector. Of the seven political ministries, only Galilea --in agriculture -- has political experience as former congressman. The new cabinet is also academically highly qualified. Most have graduate studies abroad, especially the United States (El Mercurio, 2/10).

¶19. This new cabinet has the highest number of non-partisan members over the last twenty years. Most are Catholic University alumni and half completed graduate studies abroad, primarily at Harvard and the University of Chicago (El Mercurio, 2/10).

¶10. Alfredo Moreno, appointed to foreign affairs, is well known for his negotiating skills and ability to assess and resolve complex issues, but he has no experience in foreign affairs. In diplomatic circles there is confidence that Pi????era will appoint a career diplomat as undersecretary to make up for Moreno's lack of experience in the field. "In past years, the country has undergone an important commercial openness... The president wants ...the benefits of those policies to reach the common citizen," said Moreno, who has also been instructed to modernize the foreign ministry to promote the appointment of career diplomats (La Tercera 2/10).

¶11. Camila Merino (Labor) was the big surprise in this cabinet. She has no political affiliation and is not familiar with the labor sector. That is exactly what union leaders are criticizing, saying they would have preferred someone with "more political experience in relations with workers." But in the academic area, Merino is well known and respected. She has an MBA from the Sloan School of Management from MIT (La Tercera, 2/10).

¶12. "Pi????era has chosen people of great professional and academic expertise and with proven experience in their fields.... Several of the new ministers lack public experience, but have one thing in common and that is that they have active and long-term ties to public policy.... There are grounded expectations on the professional ability of this new cabinet... and without undermining the obvious goal of achieving technical excellence, it deems necessary for the new president to also move forward on working with political parties.... Political parties legitimately exist to govern and they must feel that in fact they are, but together with the independent professionals and never behind them" (Editorial, El Mercurio, 2/10).

¶13. Economist Sebastian Edwards lauds the professional excellence of the new cabinet, but warns over the lack of political experience of its members: "Trying to govern without political parties never works" (El Mercurio, 2/10).

¶14. In his remarks after naming his cabinet, Pi????era recognized the Concertaci????n's achievements by stating, "We will not start from scratch. Many changes are already underway, but there is still a long road ahead." Pi????era also quoted Concertacion President Patricio Aylwin: "What Chile needs from us is to keep what is good, change what is wrong, and improve what needs to be improved" (La Tercera, 2/10).

¶15. Commentary on the appointment of Jaime Ravinet, a Christian Democrat and former Lagos minister of defense: "By appointing Ravinet, Pi????era fulfilled his promise of including people of the Concertacion in his cabinet, although Ravinet is one of the ministers with the weakest ties to that coalition in the past 20 years... Pi????era and Ravinet share some traits. Both emphasize efficiency and management, forgetting that government is essentially about politics. This could be a mistake, but in the area of defense the approach is correct" (NYU professor Patricio Navia, La Tercera, 2/10).

¶16. "The future ministers all have outstanding careers in their respective professional and

political fields. It would, therefore, be desirable to appoint undersecretaries or heads of services who can complement the ministers with their knowledge in management or politics, depending on each case" (Editorial, La Tercera, 2/10).

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